



SEC File No. 270-643, OMB Control No. 3235-0691

Proposed Collection; Comment Request

Upon Written Request, Copies Available From:  
Securities and Exchange Commission  
Office of FOIA Services  
100 F Street, NE  
Washington, D.C. 20549-2736

Extension: Form Custody

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.) (“PRA”), the Securities and Exchange Commission (“Commission”) is soliciting comments on the existing collection of information provided for in Form Custody (17 CFR 249.639) under the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) (“Exchange Act”). The Commission plans to submit this existing collection of information to the Office of Management and Budget (“OMB”) for extension and approval.

Section 17(a)(1) of the Exchange Act provides that broker-dealers registered with the Commission must make and keep records, furnish copies of the records, and make and disseminate reports as the Commission, by rule, prescribes. Pursuant to this authority, the Commission adopted Rule 17a-5 (17 CFR 240.17a-5), which is one of the primary financial and operational reporting rules for broker-dealers.<sup>1</sup> Paragraph (a)(5) of Rule 17a-5 requires every broker-dealer registered with the Commission to file Form Custody (17 CFR 249.639) with its designated examining authority (“DEA”) within 17 business days after the end of each calendar quarter and within 17 business days after the broker-dealer’s fiscal year end if that date is not the end of a calendar quarter. Form Custody is designed to elicit information about whether a

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<sup>1</sup> Rule 17a-5 is subject to a separate PRA filing (OMB Control Number 3235-0123).

broker-dealer maintains custody of customer and non-customer assets, and, if so, how such assets are maintained.

The Commission estimates that there are approximately 3,534 broker-dealers registered with the Commission. As noted above, all broker-dealers registered with the Commission are required to file Form Custody with their DEA once each calendar quarter. Based on staff experience, the Commission estimates that, on average, it would take a broker-dealer approximately 12 hours to complete and file Form Custody, for an annual industry-wide reporting burden of approximately 169,632 hours.<sup>2</sup> Assuming an average cost per hour of approximately \$319 for a compliance manager, the total internal cost of compliance for the respondents is approximately \$54,112,608 per year.<sup>3</sup>

Written comments are invited on: (a) whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the Commission's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing by [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information under the PRA unless it displays a currently valid OMB control number.

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<sup>2</sup> 3,534 brokers-dealers x 4 times per year x 12 hours = 169,632 hours.

<sup>3</sup> 169,632 hours times \$319 per hour = \$54,112,608. \$319 per hour for a compliance manager is from SIFMA's Management & Professional Earnings in the Securities Industry 2013, modified by Commission staff for an 1800-hour work-year, multiplied by 5.35 to account for bonuses, firm size, employee benefits, and overhead, and adjusted for inflation.

Please direct your written comments to: David Bottom, Director/Chief Information Officer, Securities and Exchange Commission, c/o John Pezzullo , 100 F Street, NE, Washington, DC 20549, or send an email to: PRA\_Mailbox@sec.gov.

Dated: May 13, 2022.

J. Matthew DeLesDernier,  
Assistant Secretary.

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